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ADMINISTRATOR'S MEMORANDUM NO. 41

Delegation of Authority with Respect to Recommendations  
for Action upon Applications for Necessity Certificates

On December 17, 1943, under Executive Order 9406, the functions with respect to Necessity Certificates were transferred from the Secretary of War and the Secretary of the Navy to the Chairman of the War Production Board, and on the same date the Chairman of the War Production Board issued amended regulations governing the issuance of Necessity Certificates under Section 124 (f) of the Internal Revenue Code.

These regulations require that applications for Necessity Certificates for facilities, the acquisition of which can be made only with priority assistance or specific authorization of the War Production Board, must be filed together with the application for priority assistance or specific authorization. Under the existing procedures the War Production Board will refer to the War Food Administration for recommendation all applications relating to facilities under the jurisdiction of this Administration.

Recommendation to the War Production Board, with respect to all applications for Necessity Certificates referred to the War Food Administration, will be made by the Office of the Administrator.

There is hereby delegated to the Director of the Office of Materials and Facilities authority to determine and submit such recommendations to the Office of the Administrator for approval. The Director of the Office of Materials and Facilities shall perform this function within the strictest interpretation of Executive Order 9406 and the regulations, as either may be amended from time to time, and may submit recommendation for certification of an application only

A. If he determines that the facilities described are clearly necessary

1. To provide products or services
  - a. Of which there is a defined shortage in terms of the established requirements essential to the prosecution of the war, and
  - b. Which will not be procurable from facilities privately financed, without a Necessity Certificate, and



- c. Which it is to the advantage of the Government to procure from privately financed facilities.
2. To continue essential operations in compliance with mandatory requirements of government war regulations.
3. To continue essential operations, where such facilities are to replace facilities the use of which the applicant has been deprived as a direct result of the war.

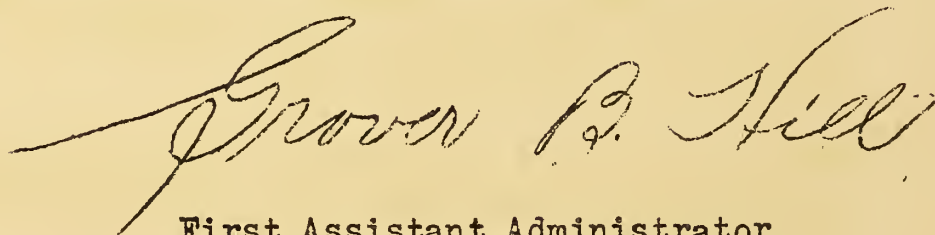
B. To the extent that it appears that such facilities do not constitute a normal or desirable expansion or will not be to the applicant's advantage after the termination of the war.

The Director of the Office of Materials and Facilities shall make no exception to these directions, and he shall not submit recommendation for certification of applications for the reasons specified in A "2" or A "3" unless, in his judgment, an unjust hardship would otherwise result.

The Director of the Office of Materials and Facilities, in his discretion, may establish such rules and procedures as are necessary to carry out this function, may, within the limitations set forth, establish equitable policies for recommendation pertinent to each segment of industry under the jurisdiction of the War Food Administration, and may require that definite programs be submitted to substantiate the existence and extent of any shortages of Facilities, necessary to meet the requirements of the war food program.

The Director of the Office of Materials and Facilities is further authorized to redelegate to any person within the Office of Materials and Facilities the exercise and performance of any or all of the authority, powers, and functions delegated by this memorandum.

All action heretofore taken by the Director of the Office of Materials and Facilities, or his designee, with respect to applications for Necessity Certificates is hereby ratified and confirmed.

  
First Assistant Administrator